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January 22, 2020

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: South Carolina Energy Freedom Act (H.3659) Proceeding to Establish Duke Energy Progress, LLC's and Duke Energy Carolinas, LLC's Standard Offer, Avoided Cost Methodologies, Form Contract Power Purchase Agreements, Commitment to Sell Forms, and Any Other Terms or Conditions Necessary (Includes Small Power Producers as Defined in 16 United States Code 796, as Amended) – S.C. Code Ann. Section 58-41-20(A)- **Docket Nos. 2019-185-E and 2019-186-E**

Dear Ms. Boyd:

The South Carolina Office of Regulatory Staff ("ORS") submits this letter in response to the Petition for Reconsideration of Order No. 2019-881(A) filed by Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC (collectively "Companies") and the Southern Alliance for Clean Energy and the South Carolina Coastal Conservation League (collectively "SACE/CCL") on January 13, 2020.

According to the Companies' Petitions for Reconsideration, the "avoided capacity rates ultimately approved by the Commission...are calculated based upon ORS witness Horii's prior, uncorrected testimony and, therefore, reflect a computational error in the CT Fixed Charge Rate."¹ As a result, the Companies request the Commission correct the avoided capacity rates to reflect a corrected 9.831% Fixed Charge Rate, which was supported by ORS witness Horii during the

¹ See Paragraph 12 in the Companies' Petition for Reconsideration.

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hearing. ORS agrees with the updated rates proposed by the Companies in their Petition for Reconsideration.

Additionally, ORS reiterates and affirms its position regarding the seasonal allocation of capacity costs testified to by witness Horii. It appears from the Petitions for Reconsideration that SACE/CCL incorrectly reference the seasonal allocation of capacity costs from witness Horii's *direct* testimony instead of the figures that he revised and adopted in his surrebuttal testimony.

Sincerely,

A handwritten signature in blue ink, appearing to read "AMB by AWK".

Andrew M. Bateman

cc: All Parties of Record (via e-mail)
Joseph Melchers, Esquire (via e-mail)